

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 20 – SB 337

February 9, 2019

SUMMARY OF BILL: Requires the Department of Education (DOE) to pay for all costs of criminal background checks conducted by the Tennessee Bureau of Investigation (TBI) and Federal Bureau of Investigation (FBI) for teachers and other employees of a local education agency (LEA) who work in close proximity to children in a school or child care setting.

Requires DOE to reimburse employees of LEAs who were required to undergo criminal background checks prior to their employment, if employees have held a similar position with any LEA in the state for at least three consecutive or non-consecutive years, and if the costs were not reimbursed or paid for by a local board of education.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures – \$1,750,300/One-Time
\$1,373,100/Recurring**

Decrease Local Expenditures – \$847,700/Recurring

Assumptions relative to Reimbursement of Past Background Checks:

- Current law, Tenn. Code Ann. § 49-5-413(c), allows, but does not require, a local board of education or child care program to reimburse employees for costs incurred for an initial background check.
- Based on information from the Tennessee School Boards Association (TSBA), 91 out of 141 (64.5 percent) school systems have a policy to provide teachers either a direct payment or reimbursement from the LEA for criminal background checks; therefore, 35.5 percent of school systems do not have a direct payment or reimbursement policy.
- Based on information from DOE, there are 65,204 (or 82.5 percent of all) teachers with at least three years of experience.
- The average tenure for teachers with at least three years of teaching experience is 15.2 years; it is assumed that the average tenure for non-licensed personnel with at least three years of experience is also 15.2 years.
- The fee for a background check has ranged from \$34 to \$60 between 2004 and 2015; therefore, the average reimbursement amount is estimated to be \$47.

- It is estimated that 23,147 (35.5% x 65,204) teachers would qualify for reimbursement. The one-time increase in state expenditures to reimburse all qualifying teachers is estimated to be \$1,087,909 (23,147 x \$47).
- Based on information from DOE, there are 56,613 non-licensed individuals employed by LEAs.
- Approximately 85 percent of non-licensed personnel or 48,121 (56,613 x 85%) would require close proximity to students and would require background checks on a five-year cycle.
- Approximately 82.5 percent of the 48,121 non-licensed positions that have close proximity to students have at least 3 years of experience; this would result in 39,700 non-licensed personnel (48,121 x 82.5%).
- It is estimated that 14,094 of these non-licensed personnel would qualify for reimbursement (39,700 x 35.5%). The one-time increase in state expenditures to reimburse all qualifying non-licensed personnel is estimated to be \$662,418 (14,094 x \$47).
- The total one-time increase in state expenditures to reimburse all qualifying employees for a past background check is estimated to be \$1,750,327 (\$1,087,909 + \$662,418).

Assumptions relative to Future Background Checks:

- Under the provisions of the legislation, DOE is required to pay for all background checks for employees of LEAs; this includes new applicants and current employees requiring a background check on a periodic basis.
- The current cost for a criminal background check is \$35.15.
- The LEA will submit the requisite employee to a background check conducted by the TBI once every five years at a marginal cost of \$35.15, as well as each applicant outside of the five year window to the same background checks.
- Based on information from the DOE, LEAs have at least 7,500 teaching applicants statewide each year that would require background checks.
- Annual background checks for teaching applicants will result in a recurring increase in state expenditures of \$263,625 (7,500 x \$35.15).
- Based on information from the DOE, there are at least 79,000 educators (irrespective of other LEA employees) that will require background checks on a five-year cycle.
- Annual background checks would be required for at least 20 percent of the 79,000, or 15,800 (79,000 x 20%), and would result in a recurring increase in state expenditures of \$555,370 (15,800 x \$35.15).
- Of approximately 5,256 non-licensed personnel applicants each year, approximately 4,468 and (5,256 x 85%) would require background checks; this would result in a recurring increase in state expenditures of \$157,050 (4,468 x \$35.15).
- Based on information from DOE, there are 56,613 non-licensed individuals employed by LEAs.
- Approximately 85 percent of non-licensed personnel or 48,121 (56,613 x 85%) would require close proximity to students and would require background checks on a five-year cycle.

- At least 20 percent of the 48,121 non-licensed personnel each year or 9,624 (48,121 x 20%) would be required to have a background check. This would result in a recurring increase in state expenditures of \$338,284 (9,624 x \$35.15).
- Based on information from DOE, the Office of Educator Licensure will need an additional Education Consultant 1 position for processing payments of reimbursements, which will result in a recurring increase in state expenditures of \$58,729 (\$42,396 salary + \$13,604 benefits + \$2,729 other).
- The total recurring increase in state expenditures to the General Fund is estimated to exceed \$1,373,058 (\$263,625 + \$555,370 + \$157,050 + \$338,284 + \$58,729).
- Based on information from the TSBA, 64.5 percent of school systems have a direct payment or reimbursement policy. Those local governments will no longer pay for background checks once DOE begins making reimbursement payments.
- The total recurring decrease in local government expenditures is estimated to be \$847,742 [64.5% x (\$263,625 + \$555,370 + \$157,050 + \$338,284)].

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

/alh